



DEPARTMENT OF STATE
ACTION MEMORANDUM

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NEA
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PM
S/P
S/S
S/S-S
TMC
RF (JAR)

TO: T - Mr. Buckley
FROM: PM - Richard Hurt
SUBJECT: Security Assistance for Pakistan

ISSUE FOR DECISION

Whether you should call Dave Stockman to reaffirm his agreement to offset the approved \$100 million ESP program for Pakistan by transferring \$100 million in outlays from the Defense budget. We need to inform the Hill (1) that there will be no net increase in federal budget outlays and (2) specifically where the offsetting outlays will come from.

ANALYSIS OF ISSUES

Dave Stockman told Secretary Haig he had agreed to transfer \$100 million in Defense budget outlays to the International Affairs function so that there will be no increase in the budget deficit as a result of the \$100 million ESP program for Pakistan (TAB B). Bill Schneider of OMB disagrees with Stockman's decision and will try to turn Stockman around so that we must swallow the \$100 million within the International Affairs function. Schneider is in Geneva and will not return until Friday. OMB staff has instructed us not to inform the Hill that the increase will be offset in the Defense budget until Schneider returns and has an opportunity to raise the issue with Stockman.

PM and NEA witnesses testified on Monday, April 27, before two HFAC subcommittees that the Administration will be requesting a \$100 million ESP program for Pakistan. Chairman Solarz indicated that he would take no action until, among other things, we are able to tell him specifically from where the offsets are coming. Inasmuch as we are seeking urgent Congressional consideration of this request, and the HFAC marks up this week, it is imperative that we inform the Hill that the offsetting funds will be "transferred" from the Defense budget.

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XR-8113540
RE-8109610

April 29, 1981

DEPARTMENT OF STATE A/C/R
DATE: 1/5/81
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DEPT. OF STATE, DATE

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RECOMMENDATION

That you call Dave Stockman, reconfirm his earlier decision, and seek his approval to inform the Congress. Talking points are attached at TAB A.

Approve ✓ ⁵ - MAY 1981 Disapprove _____

Attachments:
As Stated.

Drafted: PM/SSP:RMantel *RM*
X25097 4/28/81

Clearance: NEA/PAB - Mr. Simmons
PM/SAS - Mr. Bruce
L/PM - Mr. Borek (subs) *RM*

Talked with Stockman at
7:00 p.m. 4/30/81. He
will clear things up and
get back to me tomorrow
morning. *JLB*

Talked with Stockman at 7:00 p.m. 4/30/81. He will clear things up and get back to me tomorrow morning. JLB

OMB CONFIRMS NO STOCKMAN OBJECTION, PER OMB-John
EISENHOWER, 5/5/81. cte